



November 20, 2020

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Subject: Agreement No. 72068721IO00001, Strengthening the Court of Accounts of Madagascar

Dear Mr. Gørrissen:

Under the authority contained in the Foreign Assistance Act of 1961, as amended, including “other transaction” authority, the U.S. Agency for International Development (USAID) hereby awards to the INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS, STIFTELSEN INTOSAI DEVELOPMENT INITIATIVE, hereinafter referred to as the “Recipient,” “IDI” or “INTOSAI IDI”, the sum of \$4,000,000.00 to provide support for activities in Madagascar as described in Attachment 1 (the Schedule) and in Attachment 2, entitled “Program Description.”

This agreement is effective, and obligation is made as of the date of this letter and will apply to expenditures made by the Recipient in furtherance of program objectives for the period beginning with the effective date and ending November 20, 2025.

This agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 (the Schedule), Attachment 2 (the Program Description), and Attachment 3 (the Standard Provisions); all of which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the agreement, and return a signed copy to Nathan Piper via email at [npiper@usaid.gov](mailto:npiper@usaid.gov).

Sincerely yours,

Nathan Piper  
Regional Agreement Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

Stiftelsen INTOSAI Development Initiative (IDI)

BY: \_\_\_\_\_ Einar Gørrissen \_\_\_\_\_

TITLE: \_\_ Director General \_\_\_\_\_

DATE: \_\_ 19 Nov 2020 \_\_\_\_\_



FISCAL DATA:

Requisition	REQ-687-20-000045
Item: Accounting Template	687DV2017
BBFY:	2017
EBFY:	2018
Fund:	DV
OP:	MADAGASCAR
Prog Area:	DR.2 Good Governance
Dist Code:	687-M
BGA:	687
SOC:	4100202
Total Obligated Amount:	\$1,500,000.00
Total Estimated USAID Amount:	\$4,000,000.00
Cost Share Amount (Non-Federal):	\$1,559,644.14

## PAYMENT OFFICE

U.S. Agency for International Development

Office of Financial Management (OFM)

USAID/Madagascar

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## ATTACHMENT 1 – SCHEDULE

### A. PURPOSE OF AGREEMENT

The purpose of this agreement is to provide support for the Strengthening the Court of Accounts of Madagascar activity, as more specifically described in Attachment 2, Program Description of this agreement.

### B. PERIOD OF AGREEMENT

1. The effective date of this agreement is November 20, 2020. The expiration date of this agreement is November 20, 2025.
2. Funds obligated hereunder are available for program expenditures for the estimated period from November 20, 2020 to February 28, 2022 as shown in the Agreement Budget below.

### C. AMOUNT OF AGREEMENT AND PAYMENT

1. The total estimated amount of this agreement for the period shown in B.1 above is \$4,000,000.00.
2. USAID hereby obligates the amount of \$1,500,000.00 for program expenditures during the period set forth in B.2. above and as shown in the Agreement Budget below.
3. Payment will be made to the Recipient in accordance with the procedures set forth in Attachment 3, The Standard Provisions.
4. Additional funds up to the total amount of the agreement shown in C.1. above may be obligated by USAID subject to the availability of funds, the mutual agreement of the parties to proceed, and the requirements of the Standard Provision of the Agreement entitled "Revision of Agreement Budget."

### D. AGREEMENT BUDGET

The following is the Agreement Budget. Revisions to this Budget may be made only in accordance with the Standard Provision of this Agreement entitled "Revision of Agreement Budget."

Category	TOTAL USD
a. Personnel	1,457,859.91
b. Fringe Benefits	239,005.12
c. Travel	662,454.62
d. Equipment	78,133.00
e. Supplies	0.00
f. Contractual	611,974.03

g. Construction	0.00
h. Other Direct Charges	265,180.98
i. Total Direct Charges (sum a. - h.)	3,314,607.65
j. Indirect Charges	673,477.22
k. Total Estimated Federal Amount (sum i. and j.)	3,988,084.88
l. Cost Share*	1,559,644.14
m. Total Estimated Amount	5,547,729.02

## **E. REPORTING AND EVALUATION**

All reports shall be in the English language and submitted electronically to the Agreement Officer's Representative (AOR), Agreement Specialist, and Agreement Officer (AO). The reporting formats, timelines, instructions and any other USAID related reporting requirements will be provided by the AOR.

### **Financial Reporting**

Financial reporting is described in Attachment 3, Section M.5 - Payment.

### **Program Reporting and Deliverables**

The recipient will submit reports and deliverables to the USAID AOR as described below:

#### **Annual Work Plan**

The Recipient shall submit annual work plans per USAID/Madagascar AOR guidance. Other than the first annual work plan, annual work plans begin on January 1 of each year and are submitted along with a work plan budget in writing to the USAID Agreement Officer's Representative (AOR) and other USAID staff for discussion, review and approval. A standardized template for annual work plans is used by USAID partners and will be provided to the Recipient. Drafts of annual work plans for the subsequent years must be submitted by the Recipient to the AOR no later than November 30, prior to the start of the subject year.

The first annual Implementation Work Plan was submitted with the application per the Technical Application instructions and is subject to AOR approval.

#### **Performance Monitoring and Evaluation Plan**

A rigorous monitoring and evaluation system for the Activity, including adequate staffing, technical support and information systems for routine data collection and analytics, is required. The Recipient will work closely with USAID to finalize indicators and set performance targets based on USAID guidance and requirements. The Recipient will be responsible for data collection, analysis, and performance reporting required by USAID per defined monthly, quarterly and annual results reporting cycle. Data will be used to evaluate Recipient performance, drive decisions, guide course corrections as needed, and determine future funding. Performance indicators to be

incorporated into the award will be established in consultation with USAID. The recipient will be required to submit a Performance Monitoring and Evaluation Plan (PMP) for USAID approval within 60 days after the start of the award, with a final approved PMP **due by 90 days following the award date.**

### **Periodic Performance Reports**

#### **Semi-annual Performance Reporting**

The Recipient will at a minimum submit semi-annual performance reports to the AOR within 30 days after the end of the fourth quarter of the USG fiscal year (no later than October 30).

The semi-annual performance reports shall include the following information:

(i) a summary of activities and key achievements; (ii) a description of progress made during the reporting period and actual achievements; (iii) an assessment of overall progress to date against performance indicators, and the planned outputs for the reporting period in the annual implementation plan; and (iv) reporting on mobilization.

The reports should also highlight key accomplishments and any issues that are affecting the timing of activities, steps being taken or proposals being made to resolve issues, plans and intended outputs for the following two quarters.

#### **Annual Progress Report and Final Report**

The annual progress report and final report shall be a review of the previous year's accomplishments relative to the PMP, including challenges and success stories. Problems or issues encountered and how they were resolved shall be presented in the report. The annual reports shall be submitted 30 calendar days after the end of the second quarter of the USG fiscal year (no later than April 30). The final report shall be submitted in lieu of the semi-annual performance report for that period. If this Award expires during the reporting period, the Recipient shall submit a final report not later than 90 days after the estimated completion date.

The annual report and final report shall include a discussion, supported with quantitative and qualitative evidence, (which evidence shall remain auditable under the terms of the agreement and USAID program implementation procedures), of progress against indicators and/or impacts achieved to date. This shall include clear identification of which impacts achieved were within the manageable interests of the recipient and which were likely catalyzed by recipient-supported initiatives, leading to substantial, sustained achievement of results. The annual report and final report shall also include reporting on mobilization.

The recipient must prepare and submit a copies of the final report required by this agreement to the USAID Development Experience (Clearinghouse). Submission instructions can be found at <http://dec.usaid.gov>.

The title page of all reports forwarded to USAID must include a descriptive title, the author's name, agreement number, the project number and title, the recipient's name, the name of the USAID office, and the publication or issuance date of the report.

### **F. PRIVILEGES AND IMMUNITIES**

The Parties agree that this agreement is not intended to be an international agreement governed by international law. Nothing in this agreement or any agreement or document entered into in connection with this agreement shall imply a waiver, express or implied, by the Recipient or USAID of any privileges or immunities enjoyed by them pursuant to international or national agreements, or under domestic law.



## **G. SPECIAL PROVISIONS**

### **1. Special Agreement Conditions**

Based on the findings of the updated review of the Organizational Capacity Review (OCR) Report for IDI dated October 2, 2020, the following **special provisions** are included to mitigate identified risks. Special provisions remain applicable until the Agreement Officer is satisfied with IDI's response.

- IDI is requested to update USAID/ Madagascar on the status of the new financial management manual that has been developed after introducing the new accounting and payroll system since May 2020 **within six (6) months** after the signature of the agreement.
- IDI is requested to update USAID/ Madagascar on the status of the recommendations made in the OCR Report **within six (6) months** after the signature of the agreement.
- USAID has the right to consult on three positions designated to be key personnel: Chief Party and the two resident Advisors. IDI will provide USAID with a shortlist of candidates for each position, and if USAID has no objection, IDI will select the employee from the approved list.

### **2. Authorized Geographic Code**

The authorized geographic code for procurement of goods and services under this award is 935.

### **3. Cost Sharing**

The Recipient shall provide cost sharing amounting to \$1,559,644.14 during the period of this Cooperative Agreement in accordance with Section D - Agreement Budget above. Cost share contributions must meet the following eligibility criteria:

- Must be verifiable from the non-Federal entity's records;
- Cannot be included as contributions for any other Federal award;
- Must be necessary and reasonable for accomplishment of project or program objectives;
- Must be allowable under Subpart E - Cost Principles;
- Cannot be paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides
- that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs; and
- Must be provided for in the approved budget when required by the Federal awarding agency. under 2 CFR 200 Subpart E Cost Principles.

### **4. Close Out Plan**

Four months prior to the completion date of the agreement, the Recipient will submit a close-out plan for AOR approval. The close-out plan will include written confirmation that the recipient has met all report requirements under the award provisions, or if all required reports have not been submitted, a written list of those reports still outstanding.

[End of Attachment 1]

## ATTACHMENT 2 – PROGRAM DESCRIPTION

### ACRONYMS

<b>AFROSAI</b>	African Organization of Supreme Audit Institutions
<b>CdC</b>	Cour des Comptes
<b>CREFIAF</b>	Conseil Régional de Formation des Institutions Supérieures de Contrôle de l'Afrique Francophone Subsaharienne
<b>IDI</b>	INTOSAI Development Initiative
<b>INTOSAI</b>	International Organization of Supreme Audit Institutions
<b>ISSAI</b>	The International Standards of Supreme Audit Institutions
<b>ISC</b>	Institution Supérieure de Contrôle des Finances Publiques (Supreme Audit Institutions)

### A. EXECUTIVE SUMMARY

Madagascar is a resource rich island nation which over the last years have experienced political stability. The presidential elections in January 2019 were held peacefully and marked the first peaceful political alternation of power in Madagascar. The country's track record suggests that strong economic growth is possible when assets are deployed effectively and there is political stability.<sup>1</sup>

Despite its many natural resources and positive developments over the last years, Madagascar still has among the highest poverty rates in the world. Revenue generation and sound public financial management are key development challenges.

The Malagasy Government has a 2019-2023 Strategic Plan (Plan d'Émergence de Madagascar) based on 13 objectives aimed at stimulating the economy and reducing poverty. One of the priorities of the plan is "Good Governance and Institutions" aimed at strengthening government institutions' effectiveness and accountability.

One of the key institutions ensuring accountability of the government is the "Cour des Comptes" (Court of Accounts, CdC), which is the Supreme Audit Institution of Madagascar. The vision of the Cour des Comptes is "To be an independent, visible and credible Supreme Audit Institution, adding value to the lives of citizens".

Through timely controls and audits, it can contribute to greater compliance with rules and regulations as well as more economic, efficient and effective governance.

The CdC is made up of the Court of Auditors and six Financial Tribunals ("*Tribunaux Financiers*") established by the constitution and a law for the oversight institutions. The CdC is headed by the President and the Prosecutor General of the Public Treasury, who represents the Public Prosecutor's Office of the Court of Accounts. The CdC is part of the Supreme Court and is administratively and financially attached to the Ministry of Justice.

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<sup>1</sup> WB

According to the law, the CdC is responsible for judging the accounts of state public accountants, Annex Budgets and National Public Institutions, monitoring the enforcement of the finance law, , monitoring the accounts and management of state-owned enterprises, and assisting Parliamentary Assemblies and the Government in monitoring the enforcement of financial laws and in evaluating public policies.

### **Problem analysis**

In 2019 the CdC completed a holistic assessment of its own capacity and performance versus international standards for Supreme Audit Institutions. The assessment shows a clear potential for developing capacities and thereby greater performance and being better aligned to the INTOSAI Principles. A key challenge is lack of administrative, functional and financial independence in the legal framework. Another challenge is limited audit coverage of areas of national importance and adoption of new audit types. While the CdC has improved the annual audit report over the last years, it still has a potential for reporting on more systemic challenges, ICT-related risks and implementation of the larger government programs. There is also a potential to work more systematically on ensuring quality of the audits better aligned to the International Standards of Supreme Audit Institutions. Related to gender mainstreaming, the assessment contained the recommendation to determine compliance with the [CREFIAF and AFROSAI](#) Gender and Development Strategies.

The assessment also shows key gaps in organizational and institutional capacities as human resource management, professional development, internal governance systems and stakeholder engagement.

The assessment also shows a need for additional staff and competencies. The government allocation of resources and staff to the CdC has been relatively lower than other key oversight institutions over the last years. The CdC also struggles to operate efficiently as staff are allocated in various locations and the ICT-tools and transport facilities are not enough for the audit activities. The covid-19 crisis has further shown the importance of ICT and digitalization for efficient SAI operations.

### **Strategic plan**

Based on the assessment of its own performance and engagement with key national stakeholders, the CdC has developed an ambitious strategic plan for 2020 to 2024. Through the new strategic plan, the ISC of Madagascar expresses its ambition to contribute to the well-being of its citizens. It also intends to contribute to improving public governance, considering emerging challenges such as the promotion of e-governance by public administration or the participation of ISCs in achieving national priorities and objectives.

With this in mind, three strategic outcomes have been set:

**Strategic Outcome 1:** The ISC contributes to the promotion of the integrity, accountability and transparency of public bodies considering the State priorities;

**Strategic Outcome 2:** ISC's actions are credible, visible and accessible to the general public;

**Strategic Outcome 3:** The ISC promotes a culture of transparency and performance to become a model institution.

Within each of these outcomes, the strategic plan has identified 10 key strategic objectives:

- Ensure that specific audits are carried out in line with the State's economic strategy
- Promote gender, inclusion and diversity reviews

- Conduct information systems audits
- Improving the SAI's output in connection with its “traditional mission” (jurisdictional control)
- Improving interaction and communication with external stakeholders
- Contribute to the improvement of the SAI's constitutional and legal framework
- Contribute to establishing functional, administrative and financial autonomy
- Develop internal governance tools
- Strengthen support services
- Have enough qualified and motivated staff available

**The Malagasy government has declared commitment to strengthen the CdC.** The Action 372 of the Madagascar Emergence Initiative states that: "the IEM will give priority to the financial independence of the Court of Auditors [...]. The six Financial Courts (Tribunaux Financiers) shall also, logically, be provided with material and human resources [...]."

### **Expected project results**

The project results framework has been developed based on the Strategic plan. There is a chain of results from project activities to SAI capacities and outputs, SAI strategic outcomes and finally impact.

The project will in particular contribute to the following seven SAI capacities and outputs:

- a. Audits of high national relevance are conducted and reported based on the ISSAIs
- b. Quality and efficiency of the jurisdictional controls (“traditional mission”) are enhanced
- c. The legal framework is improved, and institutional independence strengthened
- d. The CdC external communication is improved, including communication with the National Assembly, Government, civil society and media
- e. Strategic management and core internal governance systems are strengthened
- f. Digital tools and software are utilized for greater audit quality and organizational efficiency
- g. A sufficient number of qualified and motivated staff (female and male) are available

### **Problem analysis**

The project aims to address challenges related to (i) the independence of the CdC versus the auditees, (ii) core audit capacities and quality of the work, (iii) publication of the results of its

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<sup>2</sup>Action 137 of the Madagascar Emergence Initiative states that: "the IEM shall prioritize the financial independence of the Court of Auditors [...]. The capacity building of this court, whose mission concerns both the departments, bodies and enterprises directly controlled by it and the local authorities (collectivités territoriales), establishments, state-owned companies, groupings and bodies that fall under the jurisdiction of the Financial Courts. The six Financial Courts (Tribunaux Financiers) shall also, logically, be provided with material and human resources to enable them to carry out with professionalism the judicial review of the accounts of public accountants, reviews of the management of municipalities (communes) and thematic audits, particularly of public debt and public procurement."

activities, and (iv) lack of interaction with stakeholders in order to achieve an impact on the public financial management of the country.

Furthermore, the SAI has a broad range of responsibilities and is faced with financial, material and human resources gaps which undermine its professional capacity.

### **Beneficiaries**

The project is expected to ultimately benefit the citizens as better audits are expected to lead to stronger public financial management and government services.

Beneficiaries of the project are also recipients of audit reports, especially the auditees and the Parliament.

Finally, staff (male and female) of the CdC are beneficiaries, as the project will involve a most of their day-to-day activities and will enhance their professional skills. Staff of the Financial Tribunals are also beneficiaries, as they will be involved in several project activities as well, especially related to audits. The peer partners and IDI will also gain experience and knowledge during the implementation of the project.

### **Implementation Partners**

The CdC will be the lead partner in the project. Among support partners of the CdC, IDI will be the lead project implementation partner. IDI will enter agreements with SAIs and other peer-based organizations who can provide peers with relevant competencies for support. Key peer-partners are expected to be the SAIs of France, Morocco, and Norway. There are also several regional SAIs with valuable competencies such as for audits of ICT and gender that will be invited as partners providing resource persons.

### **Implementation strategy**

The project is to be implemented based on the following general principles:

- Be SAI-led and integrated with SAI management systems
- Have a holistic and change oriented intervention strategy, including both professional, organizational and institutional capacity.
- Gradual scaling up of support, flexibility and continuous learning
- Ensure long-term and predictable support
- Be characterized by presence and continuity of support,
- Competent advisors, coaches and project managers ensuring peer to peer learning
- Have in-built mechanisms for synergies with existing regional and national programs and resources
- Operate in coordination with national mechanisms
- Enable and support the SAI to lead by example in accountability, transparency, gender and inclusiveness
- Utilize new and existing technology

### **Risk assessment**

The SAI has identified the most significant risks for the lifecycle of the project and the related control measures. These risks will form the basis for regular risk management of the project.

Main risks are:

- The persistence of the Covid-19 pandemic;
- Lack of political will;
- Low stakeholder involvement;
- The low mobilization of financial resources;
- The resistance of internal stakeholders to change;
- Inadequate staff dedicated to the project.

For each risk factor, the project has identified the necessary mitigation measures, involving:

- Building trusted relationships with high-level stakeholders.
- Entering into partnership and cooperation with relevant stakeholders.
- Raising awareness of civil society and media
- Involving, raising awareness and motivating staff (male and female) for the change.
- Concerning the risks associated to Covid19, the project will organize the activities remotely (webinar, e-meetings...) and will scale -up ICT investments.

### **Project steering and management**

Project monitoring and reporting shall consider and be linked to the SAI's own monitoring and reporting routines.

A Steering committee is established and consists of representatives of the CdC and the IDI. Representatives of other partners will also participate in the committee as observers: USAID, the Financial Tribunal of Antananarivo, and main SAIs engaged as peer partners. The committee will be led by the SAI. It shall approve the annual project report and project plans and meet at least once a year. The Steering committee will also receive quarterly project reports based on the SAI's own internal quarterly reports and can meet ad-hoc during the year and be consulted on arising issues.

A Project Coordination and monitoring team will be responsible for project reporting and adjustment of plans. Key members are the SAI Project leader and the IDI Project leader. The Project coordination and monitoring team will handle issues specifically related to the project that cannot be handled in the ordinary SAI management structures.

### **Other projects and partners**

Various partnerships are critical for the success of the project:

- Regular coordination with other providers of support and development partners of the SAI, including PASIE, the WB and EU.
- CREFIAF as a regional organization of SAIs, for utilization of existing resources or integration with ongoing programs
- University and vocational schools, for professional development

The project will also indirectly work with various stakeholders in which the SAI has a partnership with. This includes the Ministry of Justice and other government agencies for developing the revised legal framework, and civil society organizations for the work on stakeholder consultation and gender mainstreaming.

## B. TECHNICAL APPROACH

### Result framework

The overall objective is to enable SAI Madagascar to successfully implement its strategic plan for 2020-2024 and achieve the strategic outcomes:

1. The SAI contributes to promoting the integrity, accountability and transparency of public bodies taking into consideration the State priorities
2. The SAI's actions are credible, visible and accessible to the general public
3. The SAI promotes a transparent and performance culture in order to become a model institution

By enabling SAI Madagascar to successfully implement the strategic plan, the potential project impact is stronger governance and public financial management in Madagascar, and ultimately to improving the living conditions of citizens.

The project shall as such contribute to Sustainable Development Goal 16 (Peace, Justice and Strong Institutions), by building more effective, accountable and inclusive institutions in Madagascar.

It will also seek better alignment of the SAI of Madagascar with the INTOSAI Principles, Standards and Guidelines of the Supreme Audit Institutions.

The project results framework has been developed based on the Strategic plan. There is a chain of results from project activities to SAI capacities and outputs, SAI strategic outcomes and finally impact.

**Level 1: Impact**, which is a long-term lasting change to the lives of the citizens as a result of the SAI's work. The core objectives set in INTOSAI P-12 in terms of SAIs contributing to transparency, accountability and integrity, as well as the SAI contribution to the implementation of UN 2030 Agenda and Sustainable Development Goals (SDGs) shows what impact the SAI may constitute.

**Level 2: SAI strategic outcomes:** Strategic outcomes are those results that the SAI can substantially contribute to, but which are not within the control of the SAI. For example, a SAI can contribute to improved compliance with rules and regulations by conducting and reporting on high quality compliance audits, with strong recommendations. However, the audits and recommendations alone cannot ensure improved compliance. Recommendations need to be followed up and implemented, and this involves the decisions, actions and behavior of government officials, who are not directly accountable to the SAI and under its control.

**Level 3: SAI capacities and strategic outputs.** They are largely under the control of the SAI, but also (especially regarding SAI independence) subject to the institutional environment in which the SAI operate.

**Level 4: Project inputs.** These are indicators of the products and support mechanisms developed and provided by the peer-project. They are predominantly under the peer-providers' control.

**Performance indicators** are presented in tables below, and in detail in appendix I. When reporting, the indicators will be supplemented by a qualitative assessment of the link between project deliverables, outputs, outcomes and impact. In this assessment it will then considered the actual project outputs committed to annually and their potential impact on the SAI's performance. The SAI PMF indicators are presented in detail in the guideline on the IDI webpage. Please see the PEFA webpage for description of the PEFA indicators.

Annual progress is to be presented in the SAI's annual report of its own activities and performance and will be used for assessing performance of the project. A more detailed assessment of performance is expected in mid-term and end-term evaluations.

No	Expected Result	Indicator Definition
	<b>Level 1 SAI Impact</b>	
1.1	Audits have a positive impact benefitting the citizen	Overall conclusion of the impact assessment (Scale: TBD)
	<b>Level 2 SAI Strategic outcomes</b>	
2.1	The CdC contributes to promoting the integrity, accountability and transparency of public bodies taking into consideration the State priorities	External audit follow-up (PEFA Indicator PI-30.3)
2.2	The CdC is credible, visible and accessible to the general public	Communication with the Media, Citizens and Civil Society Organizations (SAI-25)
2.3	The CdC is a model institution promoting transparency and performance	Strategic planning cycle (SAI-3) Internal Control environment, Ethics, Integrity & organizational structure (SAI-4. i)
	<b>Level 3 SAI capacities and strategic outputs</b>	
3.1	Audits of high national relevance are conducted and reported based on ISSAIs	Audit Coverage (SAI-8)
3.2	Quality and efficiency of jurisdictional controls ("traditional mission") are enhanced	Results of Jurisdictional controls (SAI-20)
3.3	The legal framework is improved, and institutional independence strengthened	Independence of the SAI (PEFA PI-30.4 Independence of the SAI (SAI-1))Mandate of the SAI (SAI-2)
3.4	The CdC external communication is improved, including communication with the National Assembly, Government, civil society and media	Communication with the Legislature, Executive and Judiciary (SAI-24).Communication with the Media, Citizens and Civil Society Organizations (SAI-25)
3.5	Strategic management and core internal governance systems are strengthened	Strategic planning cycle (SAI-3) Organizational Control Environment (SAI-4)Leadership and internal communication (SAI-6)
3.6	Digital tools and software are utilized for greater audit quality and organizational efficiency	Financial management, assets and support services (SAI-21. ii)



No	Expected Result	Indicator Definition
3.7	Enough qualified and motivated staff (male and female) are available	Human Resources management (SAI-22) Professional Development and Training (SAI-23)
<b>Level 4 Project inputs</b>		
4.1	Agreed upon support is implemented	Percentage of agreed project activities in the annual plan completed during the year
4.2	Wide participation of SAI staff (male and female)	a) Cumulative number of SAI staff taking part in project funded activities b) Female participation rate
4.3	Quality and relevant support	Average SAI staff satisfaction and perceived project quality, on a 1-5 scale
4.4	Active partnerships	Cumulative number of providers involved in delivering support through the project. Examples: SAIs, university or school, regional organization and Civil Society Organizations, including organizations that work on gender equality.
4.5	Effective delivery of the project	Overall conclusion of the evaluation of the project (Scale: project results fully / mostly / partly / not met)

### **Impact assessment**

An impact assessment is planned to estimate both financial and non-financial impacts of some selected audits supported through the project.

This impact assessment will be sought to be done integrated with support to auditing and follow-up audits. To ensure the impact assessment has sufficient quality, an external partner with experience in this will be selected in cooperation with USAID.

Potential partners with experience measuring the economic impact of audit recommendations on the entity and communities in which they work are SAIs that have done impact assessments, as NAO UK, or economic research or evaluation firms.

As the current strategic plan identifies numerous areas, government institutions, and processes which have previously never been audited, a baseline survey will first be conducted on these selected entities. This will be done as a part of the audit. A follow-on evaluation will then be conducted to measure the economic impact of the implementation of the CdC's audit findings, ideally as a part of the SAI follow-up audit.

### **Activities: Project components, activities and expected results**

The expected project results for the CdC's capacities and outputs (as audit report) constitute the components of the project.

Some components are regarded as relevant for project support within the strategic planning period but listed as second priority for project support. These components are to be implemented when 1st priority sub-components are well on track to be successful and additional project resources are available for the 2nd priority components. It should be underlined that the SAI may prioritize to implement strategies in these components although they are not prioritized for project support.

**Component 1: Enable the CdC to conduct and report audits of high strategic priority in line with international standards**

This component will focus on supporting the planning, execution and reporting of audits with high priority (linked to the economic development priorities defined by the State and in accordance with the ISSAI). This means on-the-job guidance by dedicated peer-teams throughout the audit cycle.

Support to specific audits is the starting point for building audit capacities, such as raising staff competencies, and developing audit manuals and guidelines. Linking support with coaching and guidance to ongoing audits will allow us to focus on relevant activities. The support will follow the CdC's training plan, the audit approach and the policy for introducing manuals and guidelines. We will also consider previous trainings and ongoing professional development. This component also seeks to ensure the quality of the annual planning and reporting.

**SAI Strategic outcome and objective(s) in which the component is intended to contribute to:**

- **Strategic outcome 1:** The ISC contributes to the promotion of the integrity, accountability and transparency of public bodies considering the State priorities;
- **Strategic objective 1.1:** Ensure that specific audits are carried out considering the State's economic development strategy
- **Strategic objective 1.2:** Conducting audits of gender, diversity and inclusion
- **Strategic Objective 1.3:** Conduct information systems audits
- **Strategic Objective 3.1** Develop internal governance tools.
- **Strategic objective 3.3:** Have enough qualified and motivated staff available

**C1.a Overall annual audit planning, quality control, quality assurance and reporting**

**SAI Strategic objective(s) in which the component is intended to contribute to:** This component is meant to provide the fundament for all other audit related objectives.

Current SAI capacities and challenges:

- The SAI has in 2019 made a 5-year audit plan
- The annual audit report lacks reporting on systemic risks for the larger PFM system, according to the PEFA 2018.
- Lack of documentation and standardization of policies and procedures for quality control and quality assurance.

**Key project activities:**

1. Training on risk assessment, and coaching and customized trainings for the annual audit planning processes.
2. Advice and customized trainings for developing the CdC Public Report series and integrate the key elements in each report type.
3. Assess the current quality control procedures in place and compare them to the requirements of ISSAI 140; determine the gaps and the measures necessary to comply with the standard. Incorporate the quality control procedures in the audit manuals.

4. Provide training to staff at all levels on the quality control system requirements and procedures.
5. Engagement of a peer-SAI to conduct quality assurance of the implementation of the quality control system, based on a sample of audits.

**Expected outputs as a result of project activities:**

1. Annual audit plans with enhanced quality
2. Annual audit reports with enhanced quality
3. Relevant audit staff trained in annual planning and risk assessment
4. Quality control system developed based on ISSAI 140, including to take steps for establishing a Quality Assurance function.
5. Audit staff trained in quality control system requirements
6. All audit managers coached in quality control through one audit cycle
7. Quality assurance report

**C1.b Policy and routines for adoption and implementation of audit manuals and guidelines**

This sub-component is to be enable strategic activity 3.1.2: Preparation and dissemination of audit guidelines.

**Current SAI capacities and challenges:**

Few manuals exist and they are partly outdated. Currently manuals exist for control of the execution of the budget and performance audit.

**Key project activities:**

1. Present alternative template manuals, guidelines and handbooks for different audit types, including audits (compliance and performance) of gender equality.
2. Contribute to define an organizational policy and a framework for adopting the manuals and guidelines. A stepwise approach to ISSAIs will be considered.
3. Advice and providing coaching on a good process for customization and implementation of audit manuals and guidelines.

**Expected outputs as a result of project activities:**

1. Policy for adoption, customization, and implementation of audit manuals.
2. Manuals and guidelines (stated also in other components).

**C1.c Compliance audits and capacities**

**Support in this component will contribute to the following CdC strategic priority:**

- 1.1.1 Conducting thematic audits.
- 3.3.2 Capacity building in auditing

**Current SAI capacities and performance:**

- The CdC and the Financial Tribunals, in the framework of its jurisdictional controls (“traditional mission”) of clearance of the accounts, conduct a type of verification like compliance audit, although limited in scope and different in its impact and enforcement.

- No training has been provided to staff to conduct compliance audits specifically. Many magistrates are still assumed to have much experience in assessing compliance through jurisdictional controls; following the training they will acquire new skills and techniques that might be applied to the jurisdictional controls
- There is no compliance audit manual.

**Key project activities:**

1. On-the job guidance and coaching on planning, execution and reporting of a few selected entity level audits.
2. Guidance to a follow-up audit of a project supported audit.
3. Guidance to adoption and providing coaching for customizing a compliance audit manual.
4. Provide coaching for customizing general trainings in the audit discipline, potentially included in a professional development program.
5. Advice to building a sustainable compliance audit capacity in the CdC. This includes guidance for management and professional development of staff.

The project activities will involve staff from both the CdC and the Financial Tribunals.

**Expected outputs as a result of project activities:**

1. All relevant audit staff trained in basic procedures of compliance audit.
2. Manual for compliance audit (separate or integrated in another manual)
3. 3 peer-supported compliance audits reported in public (as a separate report or included in a larger report).
4. 3 peer-supported follow-up audits

**C1.d Public policy evaluation and performance audit capacities**

Support in this component will contribute to the following CdC strategic priority:

- 1.1.1 Conducting thematic audits (includes both public policy evaluation and performance audit)
- 3.3.2 Capacity building in auditing (includes both public policy evaluation and performance audit disciplines)

Current SAI capacities and challenges performance audit:

About 20 staff are allocated for a certification program in performance audit. This is a certification program for auditors of the Court of Accounts and Financial Courts. It is implemented at ENMG, in cooperation with CREFIAF and the NFD project level from 2019.<sup>3</sup>

No performance audit has been completed and publicly reported.

**Current SAI capacities and challenges public policy review:**

- 2 staff have undergone a thematic training in public policy evaluation.
- 6 staff are allocated to this function permanently.
- No public policy evaluation has been completed and publicly reported. Public policy evaluation has been initiated in the following topic: Hygiene and sanitation.

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<sup>3</sup> Due to the Covid-19 crisis the training is postponed.

- Topics for public policy evaluations during the strategic planning period have been selected by the CdC. One topic considered is general management of crises and emergencies.
- The Parliament has taken an initiative for public policy evaluations

### **Key project activities:**

1. Advice on how to tackle public policy evaluation and performance auditing ensuring synergies, and considering same standards and approach depending on expectations of Parliament and CdC priorities. This includes exchanging experience with other best-practice SAIs and clarifying definitions and alternative standards, approaches and methodologies.
2. On-the job guidance for planning, execution and reporting of prioritized public policy evaluations, through workshops and continuous online guidance. Topics to consider are: the initiated evaluation not yet completed, the topics identified by the SAI in 2019 and the government emergency management.
3. On-the job guidance to planning, execution and reporting of a few selected performance audits.
4. Provide customized general trainings in the public policy evaluation approach, potentially jointly with performance audit methodology and included in a professional development program in partnership with ENMG.
5. Guidance and coaching on building sustainable functions in the CdC on public policy evaluations and performance audit, including management, and professional development of staff.
6. Advice for setting and implementing manuals and guidelines to policy evaluations and performance audit, linked to the initiative of the Parliament for public policy evaluations.

### **Expected outputs as a result of project activities:**

1. 1 peer supported public policy evaluations completed and publicly reported
2. 2 peer-supported performance audits reported in public
3. 1 peer-supported follow-up performance audit
4. 10 staff (selected taking gender equality into account) trained in basic competencies in execution of public policy evaluations and performance audit.
5. Suitable manuals and/or guidelines for Public policy evaluation and performance audit

#### **C1.e Information Technology audits and capacities**

### **SAI strategic priorities in which the component is intended to contribute to:**

Strategic Objective 3: “Conducting audits of information systems”. The five-year audit plan proposes several audits of ICT-systems.

### **Current SAI capacities and challenges:**

- No audits of ICT have been reported. An audit related to the process of human resources data by the government information systems has been completed and is expected to be released in 2020.
- No staff has undergone any training in audit of ICT-risks.
- No staff are specifically allocated to building competencies in auditing ICT-risks.

**Key project activities:**

1. On-the job guidance to planning, execution and reporting of prioritized audits, through dedicated workshops and continuous guidance.
2. Provide training general trainings in the audit discipline, potentially included in a professional development program.
3. Guidance to adoption and coaching for customization of guidelines for audit of ICT-risks. The guidance may include standard ICT-related controls to be done as a part of the annual audit of government accounts.

**Expected outputs as a result of project activities:**

1. 10 staff (selected taking gender equality into account) trained in basic procedures of audit of ICT-systems and risks.
2. Guideline or manual for audit of ICT-systems and risks
3. 1 peer-supported ICT-related audit reported in public

**C1.f Gender and diversity related audits and competencies**

**SAI Strategic priorities in which the component seeks to contribute:** Strategic objective 1.2. Promote gender, inclusion and diversity reviews

**Current SAI capacities and performance:**

- Gender, diversity and inclusion related audit topics have been identified
- No audits of gender, diversity and inclusion issues have been carried out
- For its own practices related to gender, diversity and inclusion, the CdC has a gender focal point who will require further capacity development; and the Strategic Plan states the intent of the CdC is to hire an expert on gender, diversity and inclusion.

**Key project activities:**

1. Topic related training to prepare for audit. The training will include key concepts, risks, audit methods and examples from audits of the topic.
2. On-the job guidance and coaching for planning, execution and reporting of 1 performance audit or public policy evaluation related to gender, diversity and inclusion

**Expected outputs as a result of project activities:**

1. 1 Peer-supported performance audit or public policy evaluation related to gender, diversity and inclusion reported
2. Guidelines for integrating gender issues in audit activities.
3. 20 staff (selected taking gender equality into account) trained in basic concepts and considering risks related to gender, diversity and inclusion.

**C1.g General policy for follow-up audits**

While specific follow-up audits will be supported as part of the audit discipline specific components, this component seeks to enable the general policy and approach to follow-up of audits.

**Support in this component will contribute to the following CdC strategic priority:** 3.1.6 Develop and implement a mechanism for following up the SAI's decisions and recommendations

**Current SAI capacities and performance:**

There are no standard mechanisms for monitoring the implementation of recommendations.

**Key project activities:**

1. Advice and coaching for developing a policy to follow-up CdC decisions and recommendations for establishing a tracking system. This must be integrated in the audit manuals.
2. Advice for a compiled overview of status of implementation of recommendations.

**Expected outputs as a result of project activities:**

1. Project supported audit manuals clarifying procedures for follow-up
2. Peer-supported compiled overview of status of implementation of recommendations, integrated in the annual audit report.
3. Peer-supported specific follow-up audit reports (already included in the specific audit components).

**C1.h Financial audits and capacities (2nd priority)**

SAI's approach to the audit of the accounts

The CdC carries out an analysis of the accounts in the framework of the process for adopting the Report on the implementation of the Finances Law (RELF). It also prepares a general Declaration of Conformity between the records of the authorizing officer's and the public accounts. Both documents, the analysis and the general declaration are forwarded to the Parliament.

These procedures, although similar to financial and compliance audit, are not fully in line with the ISSAIs.

Support in this component will contribute to the following CdC strategic priority:

- 1.1.1 Conducting thematic audits (including Financial Audits)
- 3.3.2 Capacity building in auditing.

Current SAI capacities and challenges:

- In general, the CdC lacks experience and practice in financial auditing.
- No entity level audits have been completed and reported using financial audit methodology.
- About 20 magistrates are allocated for a certification program in financial audit. This is a certification program for auditors of the Court of Accounts and Financial Courts. It is implemented at ENMG, in cooperation with CREFIAF and the NFD project level from 2019.
- There is a general financial audit manual based on the CREFIAF standard.
- Entities prioritized for financial audit have been selected.

Key project activities:

1. On-the-job guidance to planning, execution and reporting of a few selected entity level audits.

2. Provide coaching for customizing general trainings in the audit discipline, potentially included in a professional development program.
3. Guidance and coaching to adoption and customization of financial audit manual.
4. Guidance to follow-up of specific audits
5. Advice to building a sustainable financial audit capacity in the CdC. This includes guidance for managements and professional development of staff for the audit type.

The project activities will involve staff from both the CdC and the Financial Tribunals. Expected outputs as a result of project activities:

1. Peer-supported entity level financial audits reported in public (as a separate report or included in a larger report)
2. Staff trained in procedures of financial audit.
3. Financial audit manual

**Component 2: Enable CdC to improve the efficiency and quality of the jurisdictional controls (“traditional mission” audits)”**

The “traditional mission” (jurisdictional control) of the CdC and the Financial Tribunal, involves the clearance of accounts of several public bodies and the verification of the accounting and authorizing officers acts. In this process, the magistrates of the CdC and of the Financial Tribunals conduct a type of verification similar to compliance audit, although limited in scope and different in the impact and in the enforcement of the result.

After the clearance of accounts, cases of non-conformity might be referred to the CdC prosecutor and then be subject of a judging process.

SAI strategic objective in which the component is intended to contribute to:

2.1 Improving the SAI's output in connection with its jurisdictional control (“traditional mission”).

Current SAI capacities and performance:

- The judgment of the accounts of the government entity accountants still encounters several difficulties, notably those related to the production of the accounts. The CdC is now beginning the processing and clearance of the produced accounts.
- Significant delays in the clearance of accounts produced at the Court.
- Lack of a risk-based approach.
- Delays in carrying out the checks (lack of archiving infrastructure, dispersal of staff between different premises, etc.)
- Recruitment of verification assistants.
- Applicable auditing standards not used.

Key project activities:

1. Assess and advice in partnership with CdC how to improve the current process for the jurisdictional controls (“traditional mission”) and how to cope with the backlog of account pending for clearance. That would involve identifying and implementing actions for enhancing efficiency and quality, audit methodology and digitalization. It might also include financial support for hiring workforce to deal with the backlog of accounts.



2. Advice and coach for development and implementation of guidance material related to the jurisdictional control (“traditional mission”). This will be linked to other activities of the project, in particular as regards compliance audit.
3. Advice, knowledge transfer and customized training to the following processes:
  - Judgment of accounts kept using the most rational and effective method.
  - Reviewing budgetary acts and support for public authorities.
  - Conducting and improving reviews on the implementation of financial legislation.
  - Reporting jurisdictional controls (“traditional mission”). Improving quality of drafting.

The staff of the Financial Tribunals will be involved in the training events and other actions relevant to their functions.

Expected outputs as a result of project activities:

1. Guidance material for jurisdictional controls in line with INTOSAI-P 50
2. Annual jurisdictional controls and reports based on new guidance material
3. All audit staff trained in updated methodology

**Component 3: Improve the CdC external communication, including its’ communication with the National Assembly, Government, civil society and media**

**SAI strategic objective in which the component is intended to contribute to:** Strategic objective 2.2: Improving interaction and communication with external stakeholders.

Status and challenges of communication:

- The relations with civil society and the general public are currently at an embryonic stage. Furthermore, no steps have been taken to systematically work with the media.
- The CdC faces difficulties in making itself known, in making its mission, procedures and the results of its work known to all stakeholders. It suffers from poor visibility because of this lack of communication and thus cannot have a sustained and positive impact on the financial governance of the country and in the daily life of the citizen.
- As a result, the ISC has already developed a communication strategy in partnership with IDI in 2019 as part of the stakeholder engagement program. This strategy defines the objective, the mechanism and the communication instruments specific to each stakeholder (executive, legislative or judicial powers, controlled entities, media, civil societies and citizens, etc.). CdC’s staff has been allocated for stakeholder engagement, and took part in the IDI stakeholder program.

Key project activities:

1. Contribute to the overall implementation, monitoring and evaluation of the stakeholder involvement strategy, and utilize this strategy for advice and training.
2. Advice and coaching for developing a communication plan. That would involve:
  - identify potential users of CdC’s reports and determine how targeted stakeholders use and perceive these reports.

- Sensitization of stakeholders: auditees, jurisdictions, institutions, media, civil society, CSO... That would involve explaining the importance of CdC mandate, how CdC function and how to capture key information and findings from the audit reports.
  - Introduce practical tools to communicate effectively audit findings, recommendations, corrective measures and funds recovered.
  - Determine how audit reports could be made more accessible and useful through interviews and focus groups with representatives from media, civil society, donors, National Assembly and other GOM institutions.
  - Consider how stakeholders in civil society that work on gender, diversity and inclusion issues could be engaged in particular, and explore how the communications work of the CdC can equally engage both male and female stakeholders.
3. Give advice for developing the CdC website, building on support funded by WB
  4. Provide advice and coaching for developing a basic protocol for approaching media. That would involve:
    - training and facilitation of press conference for the annual audit report.
    - Organize a “pilot” briefing on a selected public audit report.
    - Train and mentor CdC officials in conducting briefings on report findings to the media.
  5. Train the CdC leadership and relevant staff in effective outreach within the country context.
  6. Organizing and participating in National initiatives advocating for good governance and good administration. This could include topics as integrity, performance, transparency, gender, inclusion and diversity.

Expected outputs as a result of project activities:

1. CdC staff trained on effective outreach communication tools.
2. A targeted group of journalists and civil society representatives is identified and trained on documents produced by the CdC.
3. Pilot media briefing is conducted on a public audit report
4. Communications plan and other outreach policies and procedures developed and implemented.

#### **Component 4: Contribute to the improvement of the CdC's constitutional and legal framework**

SAI Strategic objective(s) in which the component is intended to contribute to:

Strategic objective 2.3: Improving the constitutional and legal framework of the CdC. Strategic objective 2.4. Contribute to the functional, administrative and financial autonomy of the CdC.

#### **Status and challenges of the legal framework:**

- Independence of the CdC is not explicitly put in the Constitution or the law of 2004 governing the CdC.
- Especially administrative, financial and organizational autonomy, as required by principle 8 of the Mexico declaration (INTOSAI-P 10), are challenges. Key gaps include: a) The CdC does not have the right to appeal directly to Parliament in matters of budgetary allocation. B) The CdC does not have autonomy to use the funds

allocated to it. C) The decision-making power of the CdC regarding its own internal organization

- The legislation also does not give enough protection for the Head of SAI

Key project activities:

1. Advice for carrying out an analysis of the current legal framework through document review and interviews with key stakeholders as CdC management, Ministry of Justice, Ministry of Finance, National Assembly, Senate, international donors and civil society and media.
2. Technical advice for a revised new legal framework, considering international standards, the local context and feasibility
3. Under the leadership of CdC, provide advice for and financial support for developing a strategy for introducing the legal amendments in the law, for engaging the stakeholder and for carrying out events advocating for the new legal framework.

Expected outputs as a result of project activities:

1. Written report with analysis of the current legal framework governing the CdC, its' limitations and challenges
2. Presentation package of proposed changes to the legal framework
3. A revised bill for the CdC in accordance to the INTOSAI standards submitted for enactment
4. Increased awareness and support among key decision makers and stakeholders

#### **Component 5: Strengthen strategic management and core internal governance systems for CdC's own transparency and accountability**

##### **C5.a Strategic change management and resource planning**

Strategic Management for SAIs involves policies, strategies and techniques intended to direct SAI top management and staff's attention and behavior towards the continuous and holistic improvement of SAI performance in line with strategic outcomes and outputs. It does so by also explicitly factoring in the broader governance and political economy environment in which the SAI operates and the expectations of the key SAI stakeholders.

**SAI Strategic objective(s) in which the component is intended to contribute to:** This component is expected to indirectly contribute to all strategic objectives, as strategic change management is seen as a fundamental condition for successful implementation of the strategic plan. A direct contribution to the strategic objective is expected:

2.2 Contribute to establishing functional, administrative and financial autonomy

2.4.2 Advocacy for the allocation of an adequate operating budget

3.1 Developing internal governance tools.

Current SAI capacities and challenges:

- Only 20 % of the activities of the strategic plan 2013-17 were implemented
- Insufficient government budget for the SAI – strong need to prioritize and utilize existing resources well, and engage stakeholders for more resources.
- No section is allocated to manage overall SAI planning, monitoring and reporting functions.

- Existing services are not able to provide enough support due to a lack of coordination with control activities. There is a need to create stronger administrative structures (such as the General Secretariat).
- The CdC has an annual operational plan, but lacks an internal system for monitoring and evaluation, and has not yet submitted an annual SAI performance report.

**Key project activities:**

1. Guidance to strategic management, internal planning, monitoring, reporting and evaluation. That would include management meetings and events and quarterly, and annual CdC reports.
2. Advice for presenting the budget needs in the annual budget process and for potential development partners.
3. Advice and training in change management.
4. Advice for a mid-term review of the strategic plan (in combination with mid-term review of the project), including assessment of selected SAI PMF indicators.
5. Conduct in partnership with the CdC a SAI PMF assessment, and facilitate development of a new strategic plan based on this.

**Expected outputs as a result of project activities:**

1. Annual operational plan
2. Annual Budget proposal by the CdC including updated analysis and justification on resources needed and on investment projects.
3. Quarterly reports showing progress of operational plan
4. Annual CdC Performance report submitted in public.
5. All staff sensitized and key managers coached in change management.
6. Mid-term review of the strategic plan.
7. SAI PMF assessment.
8. New strategic plan

**C5.b Code of ethics**

Strategic priorities in which the component is meant to support:

Strategic outcome 3: promote a culture of transparency and performance to be a model role institution.

2.2 Contribute to establishing functional, administrative and financial autonomy

2.4.2 Advocacy for the allocation of an adequate operating budget

Current SAI capacities and challenges:

The CdC, with the support of CREFIAF has set up a project to develop a Code of Ethics. The project is in the initial planning phase.

**Key project activities:**

1. Advice and coaching for developing a new Code of Ethics, based on the INTOSAI standard and with the support of CREFIAF.
2. Training in ethics. That would involve how to ensure that ethics is well integrated in the audit process, identifying risks and confronting dilemmas using real examples.

3. Advice on how to monitor and ensure the code of ethics is complied with.
4. Advice on how to ensure that the Code of Ethics complies with existing legislation regarding sexual harassment, equal treatment, and non-discrimination and requires adherence to such legislation.

**Expected outputs as a result of project activities:**

1. Code of ethics in line with international standards
2. All staff trained in the code of ethics

**Component 6: Introduce digital tools and software for better audit quality and organizational efficiency**

**C6.a Develop an ICT-strategy and establish basic ICT-management systems**

**SAI Strategic objective(s) in which the component is intended to contribute to:** The strategic objective of Develop internal governance tools includes also a plan to have an electronic archive system.

Current SAI capacities and challenges:

- No dedicated staff for ICT-management
- No specific ICT-strategy and action plan

**Key project activities:**

1. Provide an updated assessment of the current ICT-capacity and prioritized actions for staffing, systems, hardware and software, utilizing existing tools in the INTOSAI community (as the EUROSAI IT Self-Assessment methodology “ITSA”)
2. Guidance to develop an ICT-strategy, through considering other CdC ICT-strategies and ICT-strategies of other government institutions in Madagascar
3. Guidance to develop basic routines for ICT-management, including advice on how capture and use data from the Government Information Management systems.
4. Training in ICT project management

**Expected outputs as a result of project activities:**

1. ICT-strategy as a basis for a general enhanced use of ICT-tools and software
2. Basic routines for ICT-management
3. All relevant staff informed and trained in the basic ICT routines.
4. 10 staff trained in ICT project management

**C6.b ICT-tools and internet**

If not provided through the government funds or other partners, the project will fund the following infrastructure to ensure good communication:

- Videoconference tools in meeting rooms
- Internet connection in the office

A digital audit team package will also be provided on a limited basis to audit teams. This is a tablet or phone with sim card that audit teams can use in the field and communicate with advisors through. By such a tool, the project enables advisors and auditors to be connected also in the field.

This activity is considered high priority and will be scaled up in 2020 & 2021.

### **C6.c Digitalization of the audit process and archives**

SAI Strategic objective(s) in which the component is intended to contribute to:

The strategic objective of Develop internal governance tools includes also a plan to have an electronic archive system.

Current SAI capacities and challenges:

- The audit process is not assisted by an electronic program. Through the support of PASIE, the CdC has started training and adoption of an audit tool.
- Archiving of audit evidence is paper based, which involves risks of losing evidence, less accessibility and large needs for physical storage. For example, the documentation provided by the Malagasy government to complete the annual report alone total approximately 1.5 metric tons annually.

#### **Key project activities:**

1. Building on ongoing efforts, advice to a CdC-led project to digitalize the audit process and archiving system, using best practices for project management of ICT-projects.
2. Financial support to the digitalization a might be considered if necessary, provided that funds are available in the budget and ensuring its sustainability after the project period.
3. Contribute to training and guidance for implementation of the electronic tool

#### **Expected outputs as a result of project activities:**

1. Launching the ICT-tool project, including the assessment of alternatives and the plan for implementing the tool.
2. Conception of an ICT-tool prototype for the audit process and archiving.
3. All staff have received basic training and guidance in the use of the ICT-tool.

### **C6.d Adoption and use of software analysis tool for statistical sampling and analysis (2nd priority)**

**SAI Strategic objective(s) supported by this component:** Introducing and training in software analysis tools can in general enhance audit qualities. In particular build 1.1.1 Conducting thematic audits (including Financial Audits) and 3.3.2 Capacity building in auditing

Current SAI capacities and performance:

The SAI has MS Excel and uses this for basic quantitative analysis techniques.

#### **Key project activities:**

1. Identify available quantitative data from the Malagasy government and required functions needed for quantitative analysis by the CdC in relation to audit work
2. If necessary, introduce a new software tool relevant for CdC, enabling faster, more accurate analysis of data collected, including data located in GOM IT systems.
3. Assess current data analysis skills among magistrates. Design and deliver a customized training and on-the-job guidance for use of software tools to analyze data in relevant audits (integrated with activities in project objective 1)

**Expected outputs as a result of project activities:**

1. Assessment of software tool needs for CdC’s analysis of electronic data in audit activities
2. Relevant magistrates trained in basic use of software for sampling and quantitative analysis.

**Component 7: Enable CdC to have a sufficient number of qualified and motivated staff available**

ISSAIs state that a SAI should establish policies and procedures designed to provide it with reasonable assurance that it has enough human resources with the competence, capabilities, and commitment to ethical principles to carry out its work in accordance with relevant standards and legal requirements. Further, the standards state that a SAI should have a professional development strategy, including training, that is based on the levels of qualification, experience, and competence required to carry out the SAI’s work.

**C7.a HR-strategy and plan for training and professional development**

SAI Strategic priorities in which support is to contribute to:

3.1.7 Preparation and implementation of an HRM policy (forecasting, workforce, employment, skills).

3.3.1 Preparation and implementation of a training and development plan.

CdC existing capacity and challenges:

The CdC needs a human resources management policy, including the deployment of professional capabilities, as well as the establishment of a general framework for evaluation and ensuring the motivation for the individual performance of its staff.

In terms of recruitment, the ISC needs more tailored procedures to address its lack of staff, particularly in audit staff.

**Key project activities:**

1. Advice for an assessment of the training, professional development and recruitment needs (“gap analysis”). This assessment shall consider the number and type of staff needed at the central and regional levels to meet the CdC’s mandate and strategic objectives. The assessment needs to specify the categories of competencies and skills needed, for instance for all audit staff, specialized audit types, support functions and leadership, management and communication. INTOSAI community tools will be utilized (as CBC HR-handbook or the AFROSAI-E handbook).
2. Based on the analyses performed, develop a human resource strategy for hiring (which may include using temporary outside specialists), delivering training, and providing professional development opportunities to address the needs identified.
3. Advice for elaborating and implementing a training and professional development plan (3.3.1) that gives each staff a clear pathway in the strategic plan period. That would also involve:
  - establishing a system for tracking staff training and development progress and expectations.
  - Proposals for improving the curriculum and courses for the Financial Magistrate training delivered by the National Magistrate School (the sole pathway for entry into the Malagasy judiciary, ENMG in French).
  - advice and financial support for specific training events (integrated in other activities)

**Expected outputs as a result of project activities:**

1. Gap analysis and assessment on HR-training needs.
2. HR-strategy covering issues as hiring, appraisals, training and professional development.
3. Training and professional development plan.
4. Recommendations for ENMG curriculum improvements

**C7.b Mainstreaming gender in the management of CdC's Human Resources**

SAI Strategic priorities in which support is to contribute to:

Strategic outcome 3: "The SAI promotes a transparent and performance culture in order to become a model institution".

3.1.7 Preparation and implementation of an HRM policy (forecasting, workforce, employment, skills).

CdC existing capacity and challenges:

The CdC has a share of 34% of female in management positions; moreover, its development capacity programs and recruitment procedures are open both to male and female. The CdC has also appointed a focal point to gender issues.

However, the CdC has not assessed the conformity of its gender policy with the CREFIAF and AFROSAI strategy in this area.<sup>4</sup> The CdC's Gender Self-Assessment data of its workforce illustrates the disparities between male and female staff with regard to decision-making positions and the jobs they hold with women predominating in more clerical jobs.

**Key project activities:**

1. Advice for assessing CdC's practices versus the CREFIAF and AFROSAI Gender and Development Strategies and with the Plan Emergence de Madagascar. Assess in partnership with the CdC the need for a separate CdC policy or strategy dedicated to gender, diversity and inclusion, based on the guidance outlined in the CREFIAF and AFROSAI Gender and Development Strategies.
2. Advice and coaching for mainstreaming gender in main Human Resources policies and routines, including:
  - Recruitment and promotion.
  - Career and professional development
  - Working environment and work/life balance
  - Trainings and events
3. Advice for mainstreaming gender equality in communication and strategic management.
4. Finance and advice for events and programs to raise awareness and train staff in dealing with gender issues.
5. Support participation in relevant female leadership development programs.

**Expected outputs as a result of project activities:**

1. Assessment on CdC's practices versus national gender policies and the CREFIAF and AFROSAI strategies.

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<sup>4</sup> Rapport sur le statut et les besoins de l'ISC de Madagascar, Chapitre 6, pag15.



2. Better alignment of CdC's policies and strategies with the CREFIAF and AFROSAI gender strategies and with the Plan Emergence de Madagascar.
3. Gender balance mainstreaming measures are included in the main Human Resources policies and routines procedures.
4. More women in decision-making and leadership positions in the CdC. more gender equality in development programs, in workforce across CdC departments and in management positions.
5. Greater visibility (internal and external) of the gender mainstreaming approach of the CdC.

### **Component 8: Project steering, management and coordination with partners and other providers of support**

SAI Strategic priorities in which support is to contribute to:

The component is aimed at focusing the project on results and at ensuring its effective, efficient and economic implementation.

It contributes to the achievement of each SAI's Strategic priorities covered by the project. In particular, it will contribute to building the SAIs governance and management capacity.

It includes a description of the roles and responsibilities of each part involved in managing the project, the reporting lines and the evaluation mechanism.

CdC existing capacity and challenges:

The CdC has long and broad experience in participating in capacity building projects. That includes projects funded by PASIE and the European Union.

Moreover, the CdC gained a good experience through its participation in the PAP-APP phase 1 program, which developed an innovative SAI-Peers approach that will be very useful for implementing the project.

As a result, the SAI has developed management capacity and a good understanding of the risks, challenges and opportunities entailed by such types projects.

#### **C8.a Project steering and management**

The SAI has put in place a structure and has deployed committed staff dedicate to the project. Therefore, project management is sought integrated with internal management systems in the SAI and it will contribute to strengthen them.

The progress of activities in the project will be reported and monitored in the regular reports of the SAI and discussed in its management meetings.

#### **Management Roles and Responsibilities; reporting lines**

The following structures will be set up:

##### **Steering committee**

It will be composed by representatives of the CdC and the IDI. Representatives of other partners will also participate in the Committee as observers: USAID, the Financial Tribunal of Antananarivo and the main Peers. It will meet at least once a year. It can also meet ad-hoc during the year and be consulted on arising issues.

It will steer and overview the implementation of the project, providing direction and guidance.

It shall discuss and approve the annual project report and project plans. The Steering committee will also receive quarterly project reports based on the SAI's own internal quarterly reports.

### **Project coordination and monitoring team**

Key members of the team are the SAI Project leader and the IDI Project leader. Other staff of the SAI and IDI might also be members and invited to participate on a need basis.

It is led by the SAI Project leader, who must have a strong position in the SAI interlinked with planning and reporting functions at the SAI level.

The team will meet regularly (approximately twice per month. Its responsibilities encompass:

- monitoring and supporting the implementation of the project by the SAI own structures;
- handling issues specifically related to the project that cannot be handled in the ordinary SAI structures;
- preparing the implementation plans and adjusting them when necessary;
- Develop and organize training of resource persons
- Conduct learning events for persons engaged in the project and SAI staff, for instance an annual project evaluation day for providers of support and SAI staff
- Compile and share good stories from the project activities for all involved and external stakeholders
- Preparing the annual report and any other report requested by the Steering Committee or donors.

### **IDI project management**

IDI project manager will be responsible and accountable for the management of the financial and human resources made available to the project by USAID and by other donors. That would involve, in particular, the approval, control and reporting of the use of the funds.

The management of the funds will follow sound financial standards and will adhere to the IDI procurement, financial, accounting and reporting rules. Those rules are in line with the donor's management principles.

The IDI manager will support proactively the project by:

- Ensuring the coordination of the different plans, project activities and peers.
- Recruitment, training, coordination, and supervision of peers and experts involved in the project.
- To do so, the IDI project manager will:
- Be part of the Project Coordination and Monitoring team, participate in its meeting and contribute to its activities and to the elaboration of the annual report.
- Liaise with SAI's counterparts, USAID, other donors and peers.
- Maintain agreements with peer-partners, including giving feedback to the peer partner on progress and contribution of the peers.
- Mobilize additional peers or providers of support needed for the project.
- It will participate in the SAI's project support group that coordinate the different projects.
- contribute to the communication, dissemination and visibility of the project, and share it through IDI channels in particular.

The IDI project manager will also be responsible for organizing the mid-term and final evaluation review of the project.

### **Reporting lines**

An annual project report will be prepared by the Project Coordination team. The report will contain information on the implementation of the project; *inter-alia*, progress made, activities carried out, use of financial and human resources, plans for coming years, etc.

The annual report will be forwarded to the Steering Committee and to the USAID by IDI.

The SAI will pay attention to examine, monitor and integrate the annual project report into its routine management and decision- making. The regular reports of the SAI will include relevant information on the activities carried out and on the progress made in achieving results. To this end, members of the Project Coordination team will be invited to the SAI's management meetings, to especially contribute in topics related to the project.

### **C8.b Coordination with other partners and projects**

Project Support Group – coordination with other partners and projects

Regular meetings will be organized by the SAI for its key development partners included in the so called "Project Support Group". Members include the WB, EU, French embassy, USAID and PREA.

The project will take invite other providers of support to the CdC to an annual sharing of experiences.

Coordination with other providers of support to anti-corruption and public financial management

The project will also seek to establish a network with other key providers of support to PFM and anti-corruption, such as GIZ.

### **C8.c Project visibility and branding**

The primary strategy for project visibility is to do this indirectly through component three on CdC visibility and communication.

The project specific activities for visibility includes:

- A designated page for the project on the IDI webpage, and regular update on IDI webpage and social media channels of project activities
- Develop and share good stories of the project, in partnership with the PAP-APP program where this is a general strategy
- Develop and share videos of project activities, in partnership with the PAP-APP program where this is a general strategy.

[End of Attachment 2]

## **ATTACHMENT 3 – STANDARD PROVISIONS**

### **A. MANDATORY STANDARD PROVISIONS FOR COST-TYPE AGREEMENTS WITH PUBLIC INTERNATIONAL ORGANIZATIONS (PIOS)**

#### **M.1 Allowable Costs (April 2011)**

**a.** The recipient must use funds provided under this Agreement for costs incurred in carrying out the purposes of the Agreement that are reasonable, allocable, and allowable.

(1) “Reasonable” means the costs do not exceed those that would ordinarily be incurred by a prudent person in the conduct of normal business.

(2) “Allocable” means the costs are necessary to the Agreement.

(3) “Allowable” means the costs are reasonable and allocable, and conform to any limitations set forth in the Agreement.

**b.** The recipient is encouraged to obtain the USAID Agreement Officer’s written determination in advance whenever the recipient is uncertain as to whether a cost will be allowable.

#### **M.2 Amendment (April 2011)**

The parties may amend the Agreement, in writing, by mutual Agreement, either by formal amendment to the Agreement, or by an exchange of letters between the USAID Agreement Officer and the recipient.

#### **M.3 Nonliability (April 2011)**

USAID does not assume liability for any third party claims for damages arising out of the Agreement.

#### **M.4 Notices (April 2011)**

Any notice given by USAID or the recipient must be in writing and delivered in person, mailed, or transmitted electronically by email or fax. Notices to USAID must be sent to the USAID Agreement Officer at the address specified in the Agreement and to any designee specified in the Agreement. Notices to the recipient will be sent to the recipient’s address specified in the Agreement and to any designee specified in the Agreement.

Notices are effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

#### **M.5 Payment (Periodic Advance – Standard) (August 2018)**

**a.** Periodic advances must be limited to the minimum amounts needed to meet the recipient’s current cash disbursement needs and must be scheduled so that the funds are available to the recipient as close as is administratively possible to the actual cash disbursements by the recipient for program costs. Periodic advance requests may be established to meet the recipient’s cash requirements for periods up to thirty (30) days.

**b.** The recipient may submit requests for advances in one of the following ways: (1) every 30 days covering a thirty-day period; (2) three requests may be submitted covering thirty-day sub-

periods of a ninety-day period to be paid automatically every thirty (30) days; or (3) one request for ninety (90) days may be submitted to be automatically disbursed in thirty-day increments. Each request for an advance must be made using a **SF-270 Request for Advance or Reimbursement** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-270%28Request for Advance or Reimbursement%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-270%28Request%20for%20Advance%20or%20Reimbursement%29.pdf)) and is subject to Chief Financial Officer (M/CFO) or Mission Controller approval (as appropriate) before actual disbursement. Requests must state the estimated cash disbursements to be made during the period covered by the request (*i.e.*, amount of federal funds paid out), the estimated balance of cash on hand from prior advance requests, and the advance amount being requested. Cash advances made by the recipient to subrecipients or the recipient's field organizations must conform substantially to the same standards of timing and amount that apply to cash advances by USAID to the recipient (*i.e.*, up to thirty (30) days to satisfy cash disbursement needs).

- c.** The recipient must submit an **SF-425, Federal Financial Report** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-425 %28Federal Financial Report%29 %28Replaces SF-269%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-425%28Federal%20Financial%20Report%29%20Replaces%20SF-269%29.pdf)), no later than thirty (30) days after the end of the period covered by the advance to the paying office specified in the Agreement in order to liquidate outstanding advances. The report must show cash disbursements, advances received, and any cash remaining on hand for the period covered by the report. In cases of multiple Operating Units funding a single Agreement, the recipient is required to submit a breakdown of their financial reporting by funding Operating Unit. The report must include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. Failure to provide these reports may result in the suspension, disruption, or termination of additional payments.
- d.** If, at any time, the M/CFO or Mission Controller determines that the recipient has demonstrated an unwillingness or inability to:
- (1). Establish procedures that will minimize the time elapsing between cash advances and the disbursement of funds;
  - (2). Report cash disbursements and balances in a timely manner as required by the terms of the Agreement; or
  - (3). Impose the same standards of timing of advances and reporting on any subrecipient or any of the recipient's overseas field organizations, then the M/CFO or Mission Controller will advise the USAID Agreement Officer, who may suspend or revoke the advance payment procedure.
- e.** Except as otherwise agreed to, within 90 days following the expiration of the Agreement, the recipient must submit an interim final financial report using **SF-425** ([https://www.usaid.gov/sites/default/files/documents/1868/SF-425 %28Federal Financial Report%29 %28Replaces SF-269%29.pdf](https://www.usaid.gov/sites/default/files/documents/1868/SF-425%28Federal%20Financial%20Report%29%20Replaces%20SF-269%29.pdf)) showing total cash disbursements, total advances received, and any cash remaining on hand, which the recipient must refund to USAID. The recipient must then submit a final financial report using the same **SF-425** form within six months of the end of the fiscal year in which the Agreement expired. Each report must include the authorized certifying official's signature for the accuracy and completeness of the required financial information on SF-425. Funds can be withdrawn after the end date of the agreement, but only if the funds will be used to pay for goods and services received up to the agreement end date.

## **M. 6 Audit and Records (November 2019)**

- a.** The recipient is required to maintain books, records, documents, and other evidence (together, the "account records") that, in reasonable detail, accurately and fairly reflect the

transactions of the Agreement. The recipient confirms that its financial statements prepared from the account records comply with the financial regulations, rules, policies, and procedures of the recipient and internationally accepted accounting standards. The recipient must maintain the account records after the final disbursement of funds under the Agreement in accordance with the recipient's records retention policy, or for at least three years, whichever is longer.

**b.** The recipient confirms that its financial statements relating to the Agreement will be subject to audit in accordance with the applicable financial regulations, rules, policies, and procedures of the recipient. The recipient will notify USAID when reports are available from the recipient's external and internal oversight bodies. Upon USAID's reasonable request, the recipient will provide further available relevant information from the applicable external and internal oversight bodies on report findings and recommendations related to USAID-funded activities, including implementing partners' activities, unless disclosure of such information would be inconsistent with the recipient's rules and procedures concerning disclosure of information.

**c.** In the event that USAID becomes aware of factors that would indicate a need for closer scrutiny of USAID-funded activities, USAID will bring these to the attention of the recipient. If the recipient's internal oversight body determines the need for a special independent audit, it will determine the scope and plan for any such audit in consultation with the recipient and USAID as appropriate. The costs of such an audit will constitute allowable costs under the Agreement.

**d.** USAID may undertake spot checks related to activities funded by USAID. It is agreed that USAID may request and the recipient will provide, in a timely fashion, access to financial information required for such spot checks in accordance with procedures that will be mutually agreed by the parties. It is understood that representatives of USAID will be given access to the site of the project and/or the headquarters of the recipient. The recipient will provide all relevant financial information and clarifications to USAID representatives and will explain, with appropriate concrete examples, how the accounts are managed and the procedures used to ensure transparency and accuracy in the accounts. Access to relevant financial information will be planned and coordinated by USAID and the recipient in advance. It is understood that such spot checks will not constitute financial, compliance or other audits of USAID funded activities, and are undertaken in a manner consistent with the UN's Single Audit Principle. The costs of such spot checks will be borne by USAID.

### **M.7 Refunds (Standard) (2019)**

**a.** If the recipient earns interest on U.S. Government advances before expending the funds for program purposes, the recipient must remit the interest annually to USAID in the same manner as funds were disbursed. Interest amounts up to \$500 per year may be retained by the recipient for administrative expenses.

**b.** Funds obligated by USAID, but not disbursed to the recipient before the agreement expires or is terminated must revert to USAID, except for funds committed by the recipient to a legally binding transaction applicable to the agreement. Any funds advanced to, but not disbursed by, the recipient before the agreement's expiration or termination must be refunded to USAID, except for funds committed by the recipient to a legally binding transaction applicable to the Agreement.

**c.** If the USAID Agreement Officer determines, in consultation with the recipient, that USAID funds provided under the agreement have been expended for purposes not in accordance with the terms of the Agreement, the recipient must refund that amount to USAID.

### **M.8 Agreement Budget Limitations and Revisions (August 2018)**

- a. The approved agreement budget is the financial expression of the recipient's program as approved during the agreement process. USAID is not obligated to reimburse the recipient for any costs incurred in excess of the total amount obligated under the agreement.
- b. The recipient must immediately request approval from the USAID Agreement Officer when there is reason to believe that, within the next 30 calendar days, a revision of the approved agreement budget will be necessary for any of the following reasons:
  - (1) To change the scope or the objectives of the program;
  - (2) To revise the funding allocated among program objectives by more than 10 percent of the total budget amount unless the agreement states otherwise;
  - (3) To request additional funding for the program; or
  - (4) The recipient expects the amount of USAID authorized funds to exceed its needs by more than \$20,000 or ten percent (10%) of the USAID agreement, whichever is greater.
- c. The recipient will not be obligated to continue performance under the agreement (including actions under the "Termination Procedures" provision) or otherwise to incur costs in excess of the total amount obligated under the agreement, unless and until the USAID Agreement Officer notifies the recipient in writing that the obligated amount has been increased and specifies the new agreement total amount.

### **M.9 Termination Procedures (Standard) (April 2011)**

The Agreement may be terminated by either party, in whole or in part, at any time with ninety (90) days written notice of termination. After receiving a termination notice from the USAID Agreement Officer, the recipient must take immediate action to cease all expenditures financed by the Agreement and to cancel all unliquidated obligations if possible. The recipient may not enter into any additional obligations under the Agreement after receiving the notice of termination, other than those reasonably necessary to close out the Agreement. Except as provided below, no further reimbursement will be made after the effective date of termination. As soon as possible, but in any event no later than 120 days after the effective date of termination, the recipient must repay to USAID all unexpended USAID funds that are not obligated by a legally binding transaction applicable to the Agreement. If the funds paid by USAID to the recipient before the effective date of termination are not sufficient to cover the recipient's obligations under a legally binding transaction, then the recipient may submit a written claim for such amount to USAID no later than 120 days after the effective date of termination. The USAID Agreement Officer must determine the amount(s) to be paid by USAID to the recipient under the claim in accordance with the "Allowable Costs" provision of the Agreement.

### **M.10 Financial Management, Procurement, and Evaluation (April 2011)**

To the extent not inconsistent with other provisions of the Agreement, USAID and the recipient understand that funds made available to the recipient must be administered in accordance with the recipient's own policies and procedures, including its financial, procurement, evaluation, and anti-fraud and corruption policies and procedures.

### **M.11 Dispute Resolution (April 2011)**

USAID and the recipient will use their best efforts to amicably settle any dispute, controversy, or claim that results from, or relates to, the Agreement.

### **M.12 Title to and Disposition of Property (Standard) (April 2011)**

Ownership of equipment, supplies, and other tangible property purchased with funds under the Agreement will vest in the recipient during the life of the Agreement. Disposition of excess property financed under the Agreement will be made in consultation with USAID and, where applicable, the host government of the country in which the activities financed under the Agreement take place or other recipient organizations.

### **M.13 USAID Disability Policy (Standard) (August 2018)**

USAID requires that the recipient not discriminate against persons with disabilities in the implementation of USAID-funded programs. One of the objectives of USAID's Disability Policy is to engage other U.S. Government agencies, host country counterparts, governments, implementing organizations, and other donors in fostering a climate of nondiscrimination against people with disabilities. To that end, and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women, and children with disabilities as appropriate.

### **M.14 Terrorist Financing Clause (Standard) (April 2011)**

U.S. Executive Orders and U.S. law prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the responsibility of the recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all contracts or sub-Agreements issued under the Agreement.

### **M.15 Trafficking in Persons (August 2018)**

Trafficking in persons (as defined in the [Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children](#), supplementing the UN Convention against Transnational Organized Crime) represents a significant human rights concern to the United States and the international community. The recipient agrees not to engage in trafficking in persons during the performance of this Agreement.

### **M.16 Prohibition on Federal Contracting With and Providing Federal Assistance to Entities that Require Certain Internal Confidentiality Agreements (August 2018)**

The Recipient must not require employees, subrecipients, or contractors to sign internal confidentiality agreements or statements prohibiting or otherwise restricting such employees, subrecipients, or contractors from lawfully reporting such waste, fraud, or abuse to the Recipient's investigatory body. If USAID determines that Recipient is not in compliance with this requirement, USAID may seek remedies under this Agreement, including disallowing otherwise allowable costs.



## **M. 17 Fraud, Corruption, and Other Prohibited Conduct (November 2019)**

**a.** The parties have a zero tolerance approach toward fraud, corruption, and other prohibited conduct, as defined below, which applies to all staff members, consultants, and other individual independent contractors, institutional contractors, and implementing partners receiving funding provided under this Agreement.

**b.** For purposes of this provision, prohibited conduct is defined according to the recipient's applicable regulations and policy on fraud and corruption, provided the following practices are included therein:

- (1) "Corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of a public official;
- (2) "Fraudulent practice" means any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation;
- (3) "Collusive practices" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
- (4) "Coercive practices" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; and
- (5) "Obstructive practices" means deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a recipient investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or acts intended to materially impede the exercise of recipient's contractual rights of audit or access to information.

**c. Prevention of prohibited conduct.** The parties are firmly committed to take all necessary precautions to avoid and address prohibited conduct. The recipient will maintain appropriate standards that govern the conduct of its personnel related to prohibited conduct as set forth in the recipient's applicable staff regulations and rules, financial regulations and rules, and policies and procedures.

**d. Action regarding knowledge of prohibited conduct.** With respect to knowledge of any actual, suspected, or alleged prohibited conduct, the recipient agrees that it has in place a suitable mechanism for a complete and comprehensive reporting of such conduct. When prohibited conduct is reported, the recipient's internal oversight body will take timely action as determined to be appropriate. When the recipient's internal oversight body determines an investigation is appropriate, the investigation will be conducted in accordance with the recipient's regulations, rules, policies, and procedures.

**e. Cooperation with regard to information concerning prohibited conduct.** The recipient and USAID agree to promptly bring knowledge of prohibited conduct in relation to the Agreement, of which the recipient or USAID has been informed or has otherwise become aware, to the attention of the recipient's internal oversight body. When the recipient becomes aware of credible allegations of prohibited conduct, the recipient will promptly inform the USAID Office

of the Inspector General (OIG), and upon reasonable request, the recipient agrees to provide further available relevant information, unless disclosure of such information would be inconsistent with the recipient's rules and procedures concerning disclosure of information.

**f.** Any information or documentation provided in accordance with subparagraph e. above will be treated by USAID OIG with utmost discretion in order to ensure, *inter alia*, the probity of any investigation, protect sensitive information, maximize the prospect of recovery of funds, ensure the safety and security of persons or assets, and respect the due process rights of all involved. OIG will presume information/documentation to be confidential, deliberative, and investigatory and will ensure that information/documentation provided to USAID personnel will be available solely to those who strictly require access to such information/documentation. Any disclosure of such information/documentation beyond such personnel will require notification and consultation with the recipient. USAID and OIG will obtain the express written authorization of the recipient before disclosing any such information/documentation in a judicial proceeding or to the public, unless disclosure is otherwise required by law and is not subject to the recipient's privileges and immunities under international and/or federal law (such as information/documentation constituting UN archives).

**g.** Where an investigation has concluded that prohibited conduct has occurred, the recipient will give proper consideration to referring the matter to the appropriate member state authorities.

**h.** In the event that the recipient determines that any USAID funds have been lost due to prohibited conduct, such loss will be dealt with in accordance with the applicable financial rules, regulations, policies, and procedures of the recipient and the M.7 Refunds provision.

**i.** In the event that USAID reasonably believes that timely and appropriate action has not been taken, it has a right to direct consultations to be established at a senior level between USAID and the recipient in order to obtain assurance that the recipient's oversight and accountability mechanisms have been or are being fully applied in connection with such allegations.

### **M. 18 Monitoring, Review, and Evaluation (November 2019)**

**a.** USAID and the recipient will promptly inform each other about any condition/event/situation which interferes or threatens to interfere with the successful implementation of any activity financed in full or in part by USAID.

**b.** The recipient will be responsible for the monitoring and regular review of activities carried out under this Agreement. For activities under this Agreement, the cost of monitoring and review will constitute an allowable cost.

**c.** The evaluation of programs hereunder will be subject to the provisions of the recipient's evaluation policy and procedures as from time to time approved or amended by the recipient's Executive Board/Head or governing body, if applicable. The costs of any program-level evaluations will be included in the program budget and will constitute an allowable cost.

(1) Unless otherwise decided by the recipient's Executive Board/Head or other governing body, final evaluation reports and management responses, as applicable, are publicly disclosed by the recipient in accordance with the recipient's rules and procedures governing public disclosure of evaluations. The recipient will forward without delay to USAID any review or evaluation report pertaining to the activities funded under this Agreement, or it will inform USAID that such report is available at the recipient's website.

(2) The recipient will each year, pursuant to the recipient's regulations, rules, policies, and procedures, inform USAID about the schedule for reviews and

evaluations planned for the following twelve (12) months, insofar as they concern activities funded under the Agreement.

d. The foregoing provisions regarding evaluation of projects funded under this Agreement will not preclude that USAID may, separately or jointly with other financing partners and with prior written notice to the recipient, take the initiative to evaluate or review its cooperation with the recipient under this Agreement, with a view to determining whether results are being or have been achieved and resources have been used for their intended purposes. In furtherance of such a review, the recipient agrees to allow access for site visits by USAID and/or its agents as necessary. It is understood that such evaluation or review will not constitute a financial, compliance, or other audit of any programs, projects, or activities funded under this Agreement. Costs of such evaluations or reviews will be borne by USAID, unless otherwise agreed.

## **B. REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR COST-TYPE AGREEMENTS WITH PUBLIC INTERNATIONAL ORGANIZATIONS**

### **RAA.5 Publications and Media Releases (April 2011)**

If the recipient intends to identify USAID's grant to any publication, video, or other information/media product resulting from the agreement, the recipient must obtain the approval of the USAID Bureau of Legislative and Public Affairs, in advance, in writing. The product must state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements must identify the sponsoring USAID Bureau/Independent Office or Mission and the U.S. Agency for International Development substantially as follows.

“This [publication, video, or other information/media product (specify)] was made possible through support provided by the Office of \_\_\_\_\_, Bureau for \_\_\_\_\_, U.S. Agency for International Development, under the terms of Award No. \_\_\_\_\_. The opinions expressed in this [publication, video, or other information/media product] are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development.”

a. The recipient must provide USAID with one copy of all published works developed under the agreement and with lists of other written works produced under the agreement or a link to the relevant website.

b. Except as otherwise provided in the terms and conditions of the agreement, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under the agreement, but USAID reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for U.S. Government purposes.

### **RAA.6 Foreign Government Delegations to International Conferences (August 2018)**

Funds provided under the Agreement must not be used to finance the travel, *per diem*, hotel expenses, meals, conference fees, or other conference costs for any member of a foreign

government's delegation to an international conference sponsored by a public international organization. The recipient may consult the USAID Agreement Officer for further information on what constitutes a foreign delegate to an international conference.

**RAA.12 Reporting of Foreign Taxes (Standard) (August 2018)**

a. By April 16 of each year, the recipient must submit a report containing:

- (1) Recipient name.
- (2) Contact name with phone, fax, and email.
- (3) Award number(s).
- (4) The total amount of value-added taxes and customs duties (but not sales taxes) assessed by a foreign government [each foreign government must be listed separately] on purchases in excess of \$500 per transaction of supplies, materials, goods or equipment, during the 12 months ending on the preceding September 30, using funds provided under this Agreement.
- (5) Any reimbursements received by April 1 of the current year on value-added taxes and customs duties reported in (iv).
- (6) Reports are required even if the recipient did not pay any taxes or receive any reimbursements during the reporting period.
- (7) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
- (8) Reports are required even if the recipient did not pay any taxes during the report period.
- (9) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.

b. Submit the reports to: [insert address and point of contact at the Embassy, Mission, or M/CFO/CMP as appropriate, may include an optional "with a copy to"].

c. Foreign taxes are not allowable where the AO provides the necessary means to the recipient to obtain an exemption or refund of such taxes, and the recipient fails to take reasonable steps to obtain such exemption or refund. Otherwise, taxes are allowable in accordance with the Standard Provision, **M.1. Allowable Costs** and must be reported as required in this provision.

d. Subagreements. The recipient must include this reporting requirement in all applicable subcontracts, subawards, and other Subagreements.

(END OF PROVISION)

[End of Attachment 3 – Standard Provisions]

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